

Introduced by Senator Oller

February 7, 2003

An act to add Section 1861.052 to the Insurance Code, relating to insurance rates.

LEGISLATIVE COUNSEL'S DIGEST

SB 154, as introduced, Oller. Insurance Commissioner: approval: rates.

Existing law, set forth in Proposition 103, an initiative statute, requires that insurers submit certain insurance rates and other specified materials to the Insurance Commissioner for approval. Existing law provides that no rate shall be approved or remain in effect that is excessive, inadequate, unfairly discriminatory, or contrary to other provisions of law.

This bill would provide that insurance rates, rules, and forms prescribed by insurers and approved by the commissioner pursuant to his or her regulatory authority shall be deemed to comply with all applicable statutes and regulations, and would prohibit the commissioner from challenging those previously approved items unless, after approval, changes occur in legal standards that materially affect the continued validity of those items, as approved.

Because this bill would amend Proposition 103, it would require passage by a $\frac{2}{3}$ vote in each house of the Legislature.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1861.052 is added to the Insurance
2 Code, to read:
3 1861.052. Insurance rates, rules, and forms prescribed by
4 insurers and approved by the commissioner pursuant to his or her
5 regulatory authority shall be deemed to comply with all applicable
6 statutes and regulations. The commissioner may not challenge
7 those rates, rules, or forms as illegal or otherwise contrary to public
8 policy unless, after the commissioner's approval, changes occur in
9 legal standards that materially affect the continued validity of
10 those rates, rules, or forms, as approved.

